

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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CLERK'S OFFICE
U.S. DISTRICT COURT
SAN JUAN, P.R.

UNITED STATES OF AMERICA

Plaintiff

v.

CIVIL NO. 98-2329 (JAG)

A) ALL CORPORATE ASSETS OF
HACIENDA SABANERA-CIUDAD
CABALLISTICA, INC., et al

Defendant(s)

ORDER TO SHOW CAUSE

Plaintiff, United States of America ("USA") shall show cause on or before **November 28, 2001** why the complaint should not be dismissed for failure to provide defendants with the discovery requested (Docket no. 179) and for repeatedly failing to comply with the Court's orders.

On September 7, 2001, the Court scheduled a hearing on a pending motion to withdraw funds for September 10, 2001. On September 10, 2001, the Court continued the hearing because counsel for USA was out of Puerto Rico. The Court ordered the parties to meet before October 15, 2001 to try to settle the case. The Court further ordered USA to furnish defendants with all requested discovery by October 15, 2001. A Pre-trial Conference was

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scheduled for October 23, 2001. Trial was set for November 1, 2001.

On October 12, 2001, USA requested the Court to continue the Pre-Trial Conference and the Trial. On October 18, 2001, the Court held a settlement conference. Defendants submitted to the Court and delivered to USA an appraisal of their property. USA indicated that it would have its own appraisal ready soon and decide on a possible settlement. The Court, then, ordered USA to meet with defendants on or before November 15, 2001 to try to settle the case. The Court also ordered USA to furnish defendants with all the requested discovery without further delays. Trial was reset for December 10, 2001 in view of counsel for USA's representations that a related tax fraud case in the local courts had been reset for the end of January 2002 and also to accommodate counsel for USA's request for a paternity leave.

On November 16, 2001, the Court left voice messages on the voice mail service of both counsel inquiring on the status of the settlement of this case. Ten days have elapsed and the court has yet to hear from counsel for USA. Counsel for defendants promptly responded to the Court's inquiry and informed the Court that USA failed to meet with them and to provide them with the requested

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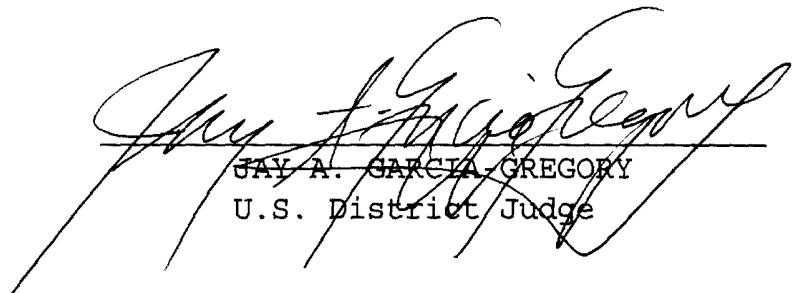
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discovery.

In view of the aforementioned, USA shall file a courtesy copy of its response to this order on or before **November 28, 2001 no later than 3:00 p.m.** Moreover, the Court orders USA's counsel to confer with defendants' counsel on **Tuesday, November 27, 2001**, to explore in good faith a settlement of this case.

IT IS SO ORDERED.

In San Juan, Puerto Rico, this 26th day of November 2001.



JAY A. GARCIA-GREGORY
U.S. District Judge